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Spotlight

ON FOREIGN MARKETING

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TO FAS MARKET DEVELOPMENT COOPERATORS AND AGRICULTURAL ATTACHES



During this joyous holiday season we in
FAS want to express our appreciation for
your cooperation and helpful assistance in
market development, and to wish you and
your families a most Merry Christmas
and Happy New Year.

Raymond A. Irwin

DECEMBER 1965

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MARKET DEVELOPMENT FEATURED AT STATE AGENCIES WORKSHOP

Export expansion for agricultural products was among the featured topics at the National Marketing Service Workshop of the state departments of Agriculture in Des Moines, November 10. Jim Howard, FAS Trade Projects Division, Joe Spiruta, Washington State Department of Agriculture, and Al Thorpe, Dried Fruit Association of California, were among the speakers.

Jim Howard discussed means by which the state departments of agriculture and other state agencies can assist the market development program. He said that the state departments can be of valuable assistance in bringing new firms into the export business. "You people, with your grass roots contacts, know better than we the firms which have sales possibilities in the foreign market."

He emphasized the opportunity for the state agencies in working with the commodity cooperators in building bigger export markets for U.S. agricultural products. "Our various cooperating organizations need help in many ways, including financial help in some cases."

The states can help in the big service and education job that needs to be done at home — work with experiment stations, farmers, processors, including work on quality controls, grades and standards.

Joe Spiruta saw an opportunity for the states in developing projects for products that are not covered by FAS cooperators, provided that they take

an industry-wide approach. Some of these may be small on a national basis, but big business as far as an individual state is concerned. In some cases most of the production is concentrated in one or two states. During the past year, the Washington State Department of Agriculture has worked with FAS in developing markets for dry peas and lentils, and hops. The state marketing divisions are close to the producers. They can wrestle with problems of packaging, freight charges, sampling at trade fairs, storage, grades and the like, and be of valuable assistance to the market development program.

Al Thorpe discussed barriers to foreign trade, trends and implications, with emphasis on conditions in the dried fruit industry.

FAS-COOPERATOR WORKSHOP

An FAS-Cooperator marketing plans and administrative workshop was held at the National 4-H Center in Chevy Chase, Maryland, December 2-3. Twenty-nine representatives of 17 cooperator organizations attended.

The five steps in organizing a marketing plan were reviewed by Reiter Webb, Hugh Kiger, Clancy Jean, Francis Harrell and Keith Vice of FAS. Special emphasis was given to the need for more detailed budgeting, and consideration of alternatives.

In the afternoon, the group adjourned into commodity sessions for development of case studies of marketing plans for citrus, cotton, feed grains and soybeans. The case studies, some actual and some hypothetical, were presented



The Feed Grains Council has a completely new office staff in Tokyo. Shown left to right are Toshio Minagawa, Torao Mizuno, G. Robert Peterson, Far East Director, and Nobuko Mukaibo.

by Russell Z. Eller, California-Arizona Citrus League, Read P. Dunn, Jr., Cotton Council International; Clarence D. Palmby, U. S. Feed Grains Council; and Glenn H. Pogeler, Soybean Council of America. The plans were analyzed at the commodity sessions and then brought before the floor the next morning for discussion by the entire group.

The final half day of the workshop was devoted to cooperator personnel planning and administration, cooperator billing documents as a basis for program analysis, and general administrative questions and changes in regulations.

OUTLOOK FOR EXPORTS

"The outlook for continued large exports of our farm products is excellent," reported Raymond A. Ioanes,

FAS Administrator, at the 43rd Annual Outlook Conference in Washington, November 15. "During this 1965-66 fiscal year," he said, "we believe they will advance to a new record of \$6.2 billion. And I think the direction will continue to be upward. Overseas demand is growing, we have the products, the quality in general is very good, and our producers and exporters are improving their export capabilities.

"Looking ahead a few years, there is a reasonable possibility of moving up to a new \$7-billion export plateau and, in a few years more, even an \$8-billion plateau . . .

"The foreign market is going to keep on growing, and I am highly optimistic that our agricultural exports can keep growing with it. But our share of the market will not come to us by default. We will have to work for it, just as our competitors around the world are working to retain - and expand - their shares of it.

"We now have a substantial foreign market development program, and we are rather proud of some of its accomplishments. The Department of Agriculture and 47 agricultural trade organizations are carrying out jointly funded trade promotion projects in 67 countries, and last year put about \$18 million into this work."

SPECIALTY FOODS EXHIBITION

An American Specialty Foods Exhibition will be held at the U.S. Trade Center in London, England, February 22 - March 4, 1966.

More than 50 U.S. manufacturers and suppliers of specialty foods and

products have already agreed to participate in the Exhibition, which is sponsored by FAS, the National Association for the Specialty Food Trade, and the Grocery Manufacturers of America.

This will be the first time the Department has planned an overseas food exhibition for the exclusive promotion of specialty foods.

Demand for such foods is increasing as standards of living rise in many countries. To the extent that the United States can supply this demand, it represents an additional outlet for U.S. farm products and additional dollar export business that contributes to a favorable trade balance.

The United Kingdom was chosen for this event because of the already established interest of the British trade in U.S. specialty products. Many U.S. manufacturers and distributors already have U.K. representation. Others expect to use their participation in the 1966 London exhibition to solicit U.K. agents.

OPPORTUNITIES FOR WHEAT

The U.S. wheat industry has opportunities this marketing year to gain permanent footholds in some of the leading dollar markets. That's the opinion of Andrew Brakke, Board Chairman, Great Plains Wheat, Inc., following a survey of foreign wheat needs and visits with European importers and millers.

Dollar sales of U.S. wheat to Europe are up substantially this year, mainly a result of a reduced European crop and the commitments of other exporting

countries to the Communist Bloc. Sales to six European countries for the first three and one-half months showed an increase of 2.7 million bushels over sales for the entire marketing year of 1964-65.

The upturn in sales may only be a temporary situation, but Brakke believes it provides a golden opportunity for the industry to generate increased confidence in U.S. wheat. "The degree of confidence," he says, "will depend on quality - cleanliness and uniformity of protein and sedimentation on arrival . . . Only by supplying quality wheat can we hope to keep and enlarge this foothold in the European market."

IOWA BECOMES CONTRIBUTOR TO OVERSEAS SOYBEAN PROMOTION

The Marketing Division of the Iowa Department of Agriculture has signed a \$30,000-a-year contract with the American Soybean Association for promotion of soybeans overseas. Under the agreement, the Iowa Department will be represented on a soybean marketing council that will serve as advisor to ASA in using the funds.

In making the announcement, Robert Sar, Chairman of the Iowa Marketing Division Board, said, "The agreement represents a new, more realistic approach to market development by the Marketing Division. It is essential that we take a new look at potential market outlets if we are to maintain soybean prices at a profitable level."

The Iowa agreement is the first of its kind in the soybean industry. ASA anticipates signing similar agreements with other soybean-producing states.

tache in Warsaw, effective about December 12.

Glenn R. Samson, ERS Regional Analysis Division, will be arriving in Brussels in mid-January as the new Assistant Attache.

Byron K. Montgomery, FAS Fats and Oils Division, will be the Assistant Attache in Caracas, effective the first of the year.

COMPETITION PHOTOS WANTED

Joe Williams, Agricultural Officer in Rhodesia, recently sent in some interesting pictures of a Japanese mobile trade exhibit which is touring Africa. Attaches in several other countries have also submitted photos, advertisements and other materials as illustrations of the market development efforts of our competitors. Anyone having such materials is requested to send copies to the FAS Trade Projects Division.



A 5-man team of Moroccan government and industry representatives were in the U.S. this month on a get acquainted tour of the soybean industry and its methods of handling, processing and refining. Shown left to right are: Robert Combemale, David Lamy, Ahmed Khyari, Michel Roux, Fernand Bodis, and Hassan Guessous, Director, Soybean Council Moroccan office.

ATTACHE ASSIGNMENTS

Harold C. Champeau, previously with State Department, will be the At-



HERE and THERE

U. S. feed grains, reports the Feed Grains Council, are now being exported at the rate of about \$100 million per month. Most of this is corn and grain sorghums, but newcomers to the export business, like dehydrated and sun-cured alfalfa and additives, also continue to increase with each passing month. Most of the increase has occurred since the Council started overseas operations about five years ago.

Elmer Hallowell, Agricultural Attache in Tokyo, reports a large number of trade missions. The recent visitors have included groups from Illinois, Georgia, and Minnesota. A number of these have had a specific interest in agricultural market development. At the U. S.-Japan Governors' Conference, Oklahoma Governor Henry Bellman went around passing out recipes in the Japanese language for pecan pie. "This is the recipe my wife uses back home," the governor explained, and, of course, he added, the pie tastes better if it is made with pecans grown in Oklahoma.

The Soybean Council had a world conference of its overseas and U. S. representatives in Arlington, Virginia last month. The one-week session was devoted to the planning of future marketing promotion programs, a review of recent FAS regulations, general promotion procedures and practices, and individual sessions with each overseas representative regarding promotion programming in his area of responsibility. A number of people from FAS, including Ray Ioanes and Dave Hume participated in the conference. At the conclusion of the conference, the overseas representatives were conducted on a two-day tour of handling, loading, and processing facilities in the Chicago area.

The U. S. percentage of world agricultural trade has increased from 12 percent to over 20 percent during the past 10 years. The U. S. has accounted for 37 percent of the \$9.2 billion increase in world agricultural trade. Over this period, U. S. dollar exports of agricultural commodities have risen from a 1956 low of about \$2 billion to a level of around \$4.2 billion.

The California Raisin Advisory Board has had its export promotion program evaluated by the Arthur D. Little Company. Many points and suggestions brought out in the report are now under consideration. Some changes have already been incorporated in CRAB's 1965/66 work plans for foreign promotion, as a result of the evaluation study.

U. S. soybeans are big business in Germany. Annual imports are running over 1.4 million metric tons, about 96 percent of the country's total soybean imports. Promotion of U. S. soybeans in Germany started in the early 1950's with the German Oil Millers Association taking the initiative. The Soybean Council joined the Millers a few years later in a joint promotion program, which proved of valuable assistance in stimulating the present high level of imports.

Business was good for the U. S. exhibitors at the Salon de L'Alimentation in Brussels. Reports for 32 of the 73 exhibitions showed \$24,338 worth of business conducted at the Fair and negotiations for \$656,000 worth of business over the next year. The sales were made in a special trades area, set aside exclusively for trade exhibits and business sessions of the U. S. firms and European food customers. The U. S. firms also used the area for appointing 18 new sales agencies, developing

several hundred new contacts for future sales, and arranging a number of retail promotions in the European area.

Wife of the President of Chile, Mrs. Maria Ruiz Tagle de Frei, officially opened a Dairy Society International milk bar at the Boys' School at San Bernardo. A number of these milk bars have been established in Santiago and the metropolitan district to improve nutrition through the sale of milk and ice cream at the school. The San Bernardo milk bar is a cooperative effort of the National Auxiliary for Schools, the Parents' Center, the Programa Lacteo de Chile, and the DSI/FAS market development program. The milk bar idea is supported by the Ministry of Public Health and other educational authorities of Chile.

The Oregon Wheat Growers League was the recipient of an Oregon State University 1965 Distinguished Service Award. It was the first time an organization has ever been named for the award. All the others have gone to individuals. The League received the award for its work "in promoting the economy of the Northwest, for pioneering a school lunch program in Japan, and for leadership in nutrition education in this country and in India, Pakistan, the Philippines, Thailand and Malaysia."

The Philippines, according to a report from the agricultural attache, is a growing market for certain processed foods. Production of processed foods increased by 52 percent from 1961 to 1963, and is still increasing. About 10 percent of the domestic food consumption requirements have to be imported, mainly dairy products, meat and meat products, some types of fruits, nuts and vegetables, and food grains. Items in demand include dry beans, raisins, prunes, peaches, walnuts and almonds.

The Cotton Council International pilot program in the Netherlands is giving strong emphasis to cooperative advertising. As of October, the Netherlands' Cotton Institute in cooperation with manufacturers of shirts, blouses, towels, children's wear and other products, had published some 115 pages of ads, mostly in color, for cotton products in over 20 Dutch magazines. The manufacturers share the cost and extend the campaigns to the retail counter and beyond with strong supplementary advertising and point-of-sale materials. Each ad is identified with the CCI cotton emblem.

New employees of the Soybean Council include John James Lynch, comptroller, and Raymond S. Burnett, technical director. Both will be working out of the Madrid office. Lynch is a CPA with experience overseas. Burnett was formerly assistant director of research for Wilson & Co., and was previously engaged in protein research for the Southern Regional Research Laboratory.

